Registered number:
03916586

INTECHNOLOGY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

COMPANY INFORMATION

Directors	Charles Scott Peter Wilkinson Andrew Kaberry Bryn Sage
Company secretary	Andrew Kaberry
Registered number	03916586
Registered office	Cardale House Cardale Court Beckwith Head Road Harrogate HG3 1RY
Independent auditors	PricewaterhouseCoopers LLP Central Square 29 Wellington Street Leeds LS1 4DL
Bankers	Lloyds Bank plc 6-7 Park Row Leeds LS1 1NX
Solicitors	McCormicks Solicitors Wharfedale House 35-37 East Parade Harrogate HG1 5 LQ

INTECHNOLOGY PLC

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017

Introduction

Your company's three businesses continued to progress last year in meeting their respective technical or commercial objectives but have still to secure sufficient revenue earning contracts to enable each to generate operating profits and cash flows.

The £5 million proceeds from the share placing in February 2016 was not sufficient to fund the group through to positive cash flows and I have therefore made secured loans to the company in accordance with the undertaking I made in September 2016.

Trading and operating performance

- Revenues: £8.1m (2016: £9.0m)
- Group operating loss: £10.1m (2016: £8.3m)
- Group loss attributable to parent £0.7m (2016: £0.9m)
- Loss for the financial year attributable to the owners of the parent company £7.7m (2016: £9.6 m)
- Cash £0.8m (2016: £5.0m)
- Debt £3.4m (2016: 0.1m)

Debt comprises finance leases in InTechnology Wi-Fi Limited of £0.4m (2016: £0.1m) and loans to InTechnology plc of £3.0m (2016: £nil) from Holf Investments Ltd, a company controlled by Peter Wilkinson.

Review of Group Businesses

Digital Health (Inhealthcare Limited – 94% subsidiary)

- Revenues: £5.7m (2016: £6.2m)
- Operating loss: £2.1m (2016: £1.8m)

Revenues remain dominated by a G-cloud accredited services contract with the NHS.

However nearly all our operating costs relate to the ongoing development of our own Digital Healthcare Platform. This enables data from patient self-testing of conditions to be securely transmitted, in multiple options, into the NHS internal firewalled systems for triage and to update in real time Patient Records.

We are not aware of any similar system in the UK either live or under development.

We have quantified the benefits to the NHS to be very large from clinicians' productivity gains and, in certain conditions, savings in medical costs.

However, it is generally accepted and also our experience, that the NHS as structured is difficult to adopt changes to existing practices. To date we have successfully engaged with the NHS in Scotland and Northern Ireland. In England we have, sometimes in partnership arrangements, had proposals for our Patient Self-Monitoring of Conditions Platform accepted by the present statutory bodies.

The adoption of our proposals referred to should earn increasing revenues commencing in the second half of this new financial year.

GROUP STRATEGIC REPORT continued
FOR THE YEAR ENDED 31 MARCH 2017

Wi-Fi (InTechnology Wi-Fi Limited-95% subsidiary)

- Revenues: £0.1m (2016: £0.5m)
- Operating loss: £4.3m (2016: £3.8m)

Revenues declined and operating losses increased as we ceased activities in the Events market. The previous year revenues were all from Events.

During the year we ceased operating Wi-Fi in sports stadiums, particularly soccer stadiums. We successfully negotiated heads of terms with the English Football League but eventually concluded that a share of betting revenues would not be sufficient to cover our operating costs and costs of Wi-Fi installations.

Wi-Fi is now solely concentrating on providing free Wi-Fi access to UK towns and cities with initial revenues from sponsorship. Contract terms in towns and cities are for an initial ten year term.

To date we have successfully deployed free Wi-Fi access to areas of large footfall in Edinburgh, Watford, Windsor, Maidenhead and Southend.

We have a large pipeline of contracts at varying stages of negotiation.

Following the award of a contract by a Local Authority issued by open tender it takes several months to draft a detailed contract and agreeing wayleaves with third parties before installation and commissioning commences.

With our current pipeline and commissioned towns, our target is to have thirty-five installations by 2019.

We are at advanced stages of negotiation to commence primary sponsorship and believe this will be reflected in the remainder of this current financial year. Once primary sponsorship is in place further secondary sponsorship will follow.

Further revenue streams, especially from data, are planned.

Mobile Tornado Group plc. (51.2% subsidiary) ("MT")

- Revenues: £2.2m (2016: £2.2m pro-forma 12 months)
- Operating loss after tax credit £2.8m (2016: £1.5m pro-forma 12 months)

MT's centre of operations is in Tel Aviv, Israel.

During the year Avi Tooba was appointed CEO. He had previously joined us after a successful career as Head of R & D Motorola Solutions. Under his management many changes have been made to our Push-To-Talk product and achieved technical stability and an exciting road map of product enhancements.

There are presently several contracts under negotiation with new customers around the globe and we remain confident of MT achieving operating profits and a positive cash flow in the year ended 31 December 2018.

MT's push to talk products are strong contenders to replace end of life IDEN services around the globe and especially in the Americas.

GROUP STRATEGIC REPORT continued
FOR THE YEAR ENDED 31 MARCH 2017

Outlook

Your board of directors continually review all three businesses but acknowledges the difficulties inherent in each business as to timing and value of future revenue streams.

They have confidence that each business will eventually achieve sustainable profits and generate positive cash flows. Each business has recently made progress in its own market in terms of product development and initial sales and marketing efforts. However each has not attained operating profit breakeven and the directors consequently have to make judgements on the size of each market for the products that have been developed and potential revenues.

The board regularly reviews the group's cash flow to ensure there is sufficient working capital to meet liabilities as they fall due. Forecasts for all three businesses, especially recent start-ups into Digital health and Wi-Fi are subject to key assumptions being tested and the timing of key events assumed in the forecasts. Whilst it is possible to issue further shares if further working capital is required, I, as the controlling shareholder, have again given a written undertaking to assist further funding of the group during the next twelve months.

I wish to thank on your behalf all of our staff in the UK and Israel for their hard work and commitments to achieving their objectives. I also thank all our partners in all areas of the business.

This report was approved by the board on 29 September 2017 and signed on its behalf by

Peter Wilkinson
CEO, InTechnology plc

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2017.

Principal activity

InTechnology plc provides Digital Health services, Wi-Fi systems to the UK market and telecoms to the global market.

Business review

The information that fulfils the requirements of the Business Review can be found in the Strategic report on pages 1 to 3. Our review of the principal risks and uncertainties of the business is set out on pages 7 to 9.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £9,598,000 *(2016 - loss £10,836,000)*.

Accordingly, no dividend will be paid (2016: £nil).

Directors

The directors who served during the year and their interests in the Group's issued share capital were:

	Ordinary shares of 1p each	
	31/3/17	*1/4/16*
Charles Scott	**-**	-
Peter Wilkinson	**78,403,998**	*78,403,998*
Richard James (resigned 19 May 2017)	**800,000**	*800,000*
Andrew Kaberry	**7,725,961**	*7,725,961*
Bryn Sage	**1,491,969**	*1,491,969*

Political contributions

The contributions made by the Group during the year for charitable purposes totalled £nil (2016: £3,900). The Group made no political contributions (2016: £nil).

Environmental matters

The Group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Group has complied with all applicable legislation and regulations.

Future developments

The Group continues to strive to gain new contracts in all its businesses.

Research and development activities

The Group continues to undertake the development of new products with the objective of increasing future profitability. The cost to the Group is written off to the Statement of comprehensive income as incurred.

Employee involvement

The Group places considerable value on the involvement of its employees and has continued its practice of keeping them informed of matters affecting them as employees and the various factors affecting the performance of the Group.

The Directors recognise that continued and sustained improvement in the performance of the Group depends on its ability to attract, motivate and retain employees of the highest calibre. Furthermore, the Directors believe that the Group's ability to sustain a competitive advantage over the long term depends to a large part on ensuring that all employees contribute to the maximum of their potential. The Group is committed to improving the performance of all employees through development and training.

The Group is an equal opportunity employer. The Group's policies seek to promote an employment environment free from discrimination, harassment and victimisation and to ensure that no employee or applicant is treated less favourably on the grounds of gender, marital status, age, race, colour, nationality or national origin, disability or sexual orientation or is disadvantaged by conditions or requirements, which cannot objectively be justified. Entry into, and progression within the Group, is solely determined on the basis of work criteria and individual merit.

The Group continues to give full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities.

The policy includes, where practicable, the continued employment of those who may become disabled during their employment and the provision of training and career development and promotion, where appropriate.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the group financial statements and IFRSs as adopted by the European Union have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.
The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 September 2017 and signed on its behalf by

Andrew Kaberry
Director

CORPORATE GOVERNANCE

InTechnology plc is an unlisted public company and is not therefore required to comply with the provisions of the UK Corporate Governance Code (the “Code”). The following disclosures are made voluntarily.

Principles of Corporate Governance
The Board recognises the value of good corporate governance as a positive contribution to the well-being of the business and believes in applying these principles in a sensible and pragmatic manner that are considered appropriate to the nature and size of the Group.

Board of Directors
The Board of Directors consists of four members, including one non-executive Director.

The role of the Chief Executive Officer is clearly defined and the activities of the Company are controlled by the Board, which meets throughout the year.

There is a formal schedule of matters specifically reserved for the full Board’s decision, together with a policy enabling Directors to take independent advice in the furtherance of their duties at the Company’s expense. The Board programme is designed so that Directors have regular opportunity to consider the Company’s strategy, policies, budgets, progress reports and financial position and to arrive at a balanced assessment of the Company’s position and prospects.

Re-election of Directors
As required by the Company’s Articles of Association, Directors offer themselves for re-election at least once every three years. Any Director appointed during the year is required to seek re-appointment by shareholders at the next Annual General Meeting.

The board receives reports from the following committee:

The Executive Operating Board
This comprises the executive Directors and certain senior business managers, and is chaired by the Chief Executive Officer. It acts as a general operating management committee and meets regularly for most of the year. It authorises recruitment and capital expenditure and reviews operational and financial performance.

Relations with shareholders
The Company seeks to ensure that all shareholders are kept informed about the Company and its activities.

A comprehensive annual report is sent to shareholders. The annual report is put on the websites of AssetMatch (www.assetmatch.com) and the Company (www.intechnologyplc.com).

The Annual General Meeting is a forum for shareholders’ participation with the opportunity to meet and question Board members.

Internal control
The Board of Directors acknowledges its overall responsibility for the Company's systems of internal control and for monitoring their effectiveness. The Board has control over strategic, financial and compliance issues and has introduced a structure of responsibility with appropriate levels of authority.

The Company's Directors and varying levels of management have clear responsibilities in ensuring that the control environment operates efficiently. Clear lines of responsibility are developed through the Company's organisational structure. Ethical policies are communicated through all forms of personnel training and via appropriate procedures in establishing a code of ethics.

Although no system of internal control can provide absolute assurance against material misstatement or loss, the Company's systems are designed to provide reasonable assurance that problems are identified on a timely basis and are dealt with appropriately.

The principal features of the Company's internal financial control structures can be summarised as follows:

- Preparation of budgets and forecasts approved by the Board;
- Monthly management accounts are reviewed by the Board and the Executive Operating Board; and
- The Company's cash flow is monitored monthly.

The Executive Operating Board authorises capital expenditure where this is significant and all capital expenditure is first authorised by the Board.

The Board has continued to enhance its risk control programme, in particular, those elements which relate to ensuring that risk reviews are formally embedded in control systems rather than being the subject of formal annual reviews.

Where lapses in internal control are detected, these are rectified.

Potential risks and uncertainties
There are a number of potential risks and uncertainties that could have an impact on the Company's long term prospects.

Competitive pressures
All our businesses operate in a competitive environment.

To mitigate these competitive pressures, the Company targets niche sectors of the Digital Health, Wi-Fi systems and telecoms markets, and develops and refines its services to demonstrate a competitive edge to its existing and potential customers.

All businesses contract with agreed Service Level Agreements ("SLA's"). Adherence by the Company to operating within such SLAs is crucial to maintaining customer satisfaction and the renewal of a contract. Internal procedures ensure that SLAs are constantly monitored and resources allocated to maintain levels of service of at least a minimum of that contracted with customers.

Staff costs
As a services business, total staff costs are approximately 61% of our total operating costs. The Company could be hindered by a shortage or inability to recruit and retain qualified and experienced staff.

To mitigate this risk, the Company constantly seeks to structure its recruitment and retention strategies to attract and retain the right people.

Economy
Any economic downturn can detrimentally affect the Company's level of demand for its services.

To mitigate this risk, the Company will contract for all services on medium term contracts in order to have contracted future revenues.

Risk assessment
The Board is made aware of all risks to the Company by the executive Directors who are members of the Executive Operating Board, which includes senior managers of the Company.

The Executive Operating Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company.

REMUNERATION REPORT
FOR THE YEAR ENDED 31 MARCH 2017

Directors' remuneration

Remuneration of non-executive Directors

The remuneration of the non-executive Directors is determined by the Board, with the assistance of independent advice concerning comparable organisations and appointments. The non-executive Directors do not take part in discussions on their remuneration nor do they receive any pension from the Group.

Remuneration of executive Directors

The main aim of the Company's executive pay policy is to secure the skills and experience needed to meet its strategic business objectives. Furthermore, the Company aims to align the interests of all employees as closely as possible with the interests of shareholders through share-based incentives.

Pensions

Certain executive Directors are members of defined contribution pension schemes, the assets of which are held independently of the Company. The amounts contributed by the Company for the year ended 31 March 2017 were £14,000 (2016: £15,000).

The Company does not provide any other post-retirement benefits to the Directors.

Contracts of service

The executive Directors have contracts of service that can be terminated by the Company with the following notice periods:

Peter Wilkinson	12 months
Andrew Kaberry	6 months
Bryn Sage	12 months

If the Company terminates the contract by notice but other than on giving full notice, the contracts of service provide for the payment of a fixed amount equal to the salary and other contractual benefits for the unexpired portion of the appointment or entitlement to notice, as the case may be.

REMUNERATION REPORT
FOR THE YEAR ENDED 31 MARCH 2017

	2017					2016
	Salary	**Bonus**	**Benefits in kind**	**Pension contributions**	**Total**	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Executive Directors						
Peter Wilkinson	**212**	**-**	**64**	**2**	**278**	279
Bryn Sage	**184**	**3**	**4**	**9**	**200**	252
Andrew Kaberry	**162**	**-**	**37**	**-**	**199**	200
Richard James	**177**	**-**	**6**	**3**	**186**	169
	735	**3**	**111**	**14**	**863**	900
	Fees	**Bonus**	**Benefits in kind**	**Pension contributions**	**Total**	Total
Non-executive directors						
The Rt. Hon. Lord Parkinson	**15**	**-**	**-**	**-**	**15**	50
Charles Scott	**30**	**-**	**-**	**-**	**40**	30
	45	**-**	**-**	**-**	**45**	80
Total	**780**	**3**	**111**	**14**	**908**	980

Benefits in kind include the provision of a company car (or car allowance), fuel, medical insurance, life insurance and insurance relating to the Directors' duties. The bonus relates to an HMRC approved Employee Share Scheme.

Independent auditors' report to the members of InTechnology plc.

Report on the financial statements

Our opinion

In our opinion:

- InTechnology plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2017 and of the group's loss and the group's and the company's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the consolidated and company statement of financial position as at 31 March 2017;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated and company statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law and, as regards the company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group, the company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Independent auditors' report to the members of InTechnology plc. continued

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Independent auditors' report to the members of InTechnology plc. continued

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Randal Casson

Randal Casson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
29 September 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £000	*2016 £000*
Turnover	5	**8,145**	*8,999*
Cost of sales		**(5,806)**	*(5,718)*
Gross profit		**2,339**	*3,281*
Administrative expenses		**(12,488)**	*(11,604)*
Operating loss	6	**(10,149)**	*(8,323)*
Gain on revaluation of equity interest		**-**	*2,989*
Impairment of goodwill		**-**	*(6,577)*
Interest receivable and similar income	10	**10**	*15*
Interest payable and similar expenses	11	**(50)**	*(14)*
Loss before taxation		**(10,189)**	*(11,910)*
Tax on loss	12	**630**	*1,074*
Loss for the financial year		**(9,559)**	*(10,836)*
Loss for the financial year attributable to:			
Non-controlling interests		**(1,888)**	*(1,219)*
Owners of the parent Company		**(7,671)**	*(9,617)*
		(9,559)	*(10,836)*

There were no recognised gains and losses for 2017 (2016:£nil) other than those included in the consolidated statement of comprehensive income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note		2017 £000		2016 £000
Fixed assets					
Intangible assets	13		**6,726**		*6,671*
Tangible assets	14		**1,487**		*1,045*
			8,213		*7,716*
Current assets					
Stocks	16	**-**		*431*	
Debtors	17	**5,020**		*4,146*	
Cash at bank and in hand	18	**803**		*5,034*	
		5,823		*9,611*	
Creditors: amounts falling due within one year	19	**(6,783)**		*(4,949)*	
Net current (liabilities)/assets			**(960)**		*4,662*
Total assets less current liabilities			**7,253**		*12,378*
Creditors: amounts falling due after more than one year	20		**(8,021)**		*(3,587)*
Net (liabilities)/assets			**(768)**		*8,791*
Capital and reserves					
Called up share capital	24		**1,943**		*1,943*
Share premium account			**5,015**		*5,015*
Other reserves			**202**		*202*
Profit and loss account			**(6,088)**		*1,583*
Total equity attributable to owners of the parent			**1,072**		*8,743*
Non-controlling interests			**(1,840)**		*48*
Total equity			**(768)**		*8,791*

The notes on pages 23 to 48 are an integral part of these consolidated financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2017 by

Andrew Kaberry
Director

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note		2017 £000		2016 £000
Fixed assets					
Tangible assets	14		**155**		*371*
Investments	15		**15,920**		*16,675*
			16,075		*17,046*
Current assets					
Stocks	16	**-**		*404*	
Debtors	17	**23,882**		*22,180*	
Cash at bank and in hand	18	**561**		*4,822*	
		24,443		*27,406*	
Creditors: amounts falling due within one year	19	**(4,895)**		*(2,972)*	
Net current assets			**19,548**		*24,434*
Total assets less current liabilities			**35,623**		*41,480*
Creditors: amounts falling due after more than one year	20		**(11,768)**		*(9,419)*
Net assets			**23,855**		*32,061*
Capital and reserves					
Called up share capital	24		**1,943**		*1,943*
Share premium account			**5,015**		*5,015*
Other reserves			**202**		*202*
Profit and loss account brought forward			**24,901**		*25,620*
Profit and loss account for the year			**(8,206)**		*(719)*
Total equity			**23,855**		*32,061*

The company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company profit and loss account. The loss for the year was £8,206,000 (2016:£719,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2017 by

Andrew Kaberry
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2016	**1,943**	**5,015**	**202**	**1,583**	**8,743**	**48**	**8,791**
Loss for the financial year	**-**	-	**-**	**(7,671)**	**(7,671)**	**(1,888)**	**(9,559)**
Total comprehensive expense for the year	**-**	**-**	**-**	**(7,671)**	**(7,671)**	**(1,888)**	**(9,559)**
At 31 March 2017	**1,943**	**5,015**	**202**	**(6,088)**	**1,072**	**(1,840)**	**(768)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2015	1,443	515	202	11,200	13,360	(646)	12,714
Comprehensive income for the year							
Loss for the financial year	-	-	-	(9,617)	(9,617)	(1,219)	(10,836)
Acquisition of non – controlling interest	-	-	-	-	-	1,913	1,913
Total comprehensive expense for the year	-	-	-	(9,617)	(9,617)	694	(8,923)
Shares issued during the year	500	4,500	-	-	5,000	-	5,000
Total transactions with owners	500	4,500	-	-	5,000	-	5,000
At 31 March 2016	1,943	5,015	202	1,583	8,743	48	8,791

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COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 April 2016	1,943	5,015	202	24,901	32,061
Loss for the financial year	-	-	-	(8,206)	(8,206)
At 31 March 2017	1,943	5,015	202	16,695	23,855

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 April 2015	**1,443**	**515**	**202**	**25,620**	**27,780**
Loss for the financial year	**-**	**-**	**-**	**(719)**	**(719)**
Total comprehensive expense for the year	**-**	**-**	**-**	**(719)**	**(719)**
Contributions by and distributions to owners					
Shares issued during the year	**500**	**4,500**	**-**	**-**	**5,000**
Total transactions with owners	**500**	**-**		**-**	**5,000**
At 31 March 2016	**1,943**	**5,015**	**202**	**24,901**	**32,061**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	2017 £000	*2016 £000*
Cash flows from operating activities		
Loss for the financial year	**(10,189)**	*(11,910)*
Adjustments for:		
Impairment of goodwill	**-**	*6,577*
Depreciation of tangible assets	**632**	*464*
Loss on disposal of tangible assets	**(1)**	*-*
Decrease/(increase) in stocks	**431**	*(27)*
(Increase)/decrease in debtors	**(479)**	*2,672*
Increase in creditors	**5,944**	*1,499*
Corporation tax received	**235**	*-*
Gain on revaluation of equity interest	**-**	*(2,989)*
Movement on foreign exchange	**-**	*(402)*
Net cash used in operating activities	**(3,427)**	*(4,115)*
Cash flows from investing activities		
Purchase of intangible fixed assets	**(55)**	*-*
Purchase of tangible fixed assets	**(1,085)**	*(544)*
Sale of tangible fixed assets	**12**	*28*
Purchase of investment	**-**	*(800)*
Net cash used in investing activities	**(1,128)**	*(1,316)*
Cash flows from financing activities		
Issue of ordinary shares	**-**	*5,000*
Repayment of/new finance leases	**324**	*98*
Net cash generated from financing activities	**324**	*5,098*
Net decrease in cash and cash equivalents	**(4,231)**	*(333)*
Cash and cash equivalents at beginning of year	**5,034**	*5,367*
Cash and cash equivalents at the end of year	**803**	*5,034*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**803**	*5,034*
	803	*5,034*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. General information

InTechnology plc provides managed services to the Digital Healthcare sector, telecoms sectors and Wi-Fi services to sports stadia, towns and cities.

The Company is an unlisted public company incorporated and domiciled in the United Kingdom, registered in England, under the Companies Act 2006. The address of its registered office is Cardale House, Cardale Court, Beckwith Head Road, Harrogate, North Yorkshire HG3 1RY.

The registered number of the Company is 03916586.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, in accordance with International Financial Reporting Standards (“IFRSs”) Interpretations of the IFRS interpretation committee (“IFRIC”) the Companies Act 2006.

The standards used are those published by the International Accounting Standards Board (“IASB”) and endorsed by the US at the time of preparing these financial statements. The financial statements have been prepared on a going concern basis, which takes into account a written undertaking from Peter Wilkinson to provide the Group with working capital as required for at least 12 months from the date of signing the financial statements.

A Summary of the more important accounting policies is set out below:

2.2 Estimates

Accounting estimates and judgements

The Group’s critical accounting policies under IFRSs have been set out by management with the approval of the Audit Committee. The application of these policies requires estimates and assumptions to be made concerning the future and judgements to be made onthe applicability of policies to particular situations. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Under IFRSs an estimate or judgement may be considered critical if it involves matters that are highly uncertain, or where different estimation methods could reasonably have been used, or if changes in the estimate that would have a material impact on the Group’s results are likely to occur from period to period. The Directors assess that there are no critical judgements required when preparing the Group’s financial statements.

2. Accounting policies (continued)

Standards in issue not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

- Amendment to IAS 19 regarding defined benefit plans;
- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint venture operation;
- Amendment to IAS 16, 'Property, plant and equipment', and IAS 41, 'Agriculture', regarding bearer plants;
- IFRS 14, ' Regulatory deferral accounts';
- Amendments to IAS 27, ' Separate financial statements' on the equity method;
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures;
- Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative;
- Amendment to IFRS 10 and IAS 28 on investment entities applying the consolidation exception;

IFRS 15, 'Revenue from contracts with customers'

2.3 Group Financial Statements

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the Group's share of identifiable net assets acquired is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.3 Group Financial Statements (continued)

Transactions with non-controlling interests
The Group treats transactions with non-controlling interests as transactions with the equity owners of the Group.

For purchases from non-controlling interests, the difference between any consideration paid and the relevant share capital acquired of the carrying value of net assets of the subsidiary is recorded as equity. Gains or losses on disposals to non- controlling interests are also recorded in equity.

Associates
Associated undertakings are those companies in which the Group has a beneficial interest of between 20% and 50% in the equity capital and where the Group exercises significant influence over commercial and financial policy decisions.

The consolidated statement of comprehensive income includes the Group's shares of post-acquisition profits or losses after tax and the Group's share of other recognised gains or losses, and the Balance sheet includes the Group's share of the net assets of associated undertakings.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:
- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- 25%
Plant and machinery	- 25%
Motor vehicles	- 25%
Fixtures and fittings	- 25%
Office equipment	- 25%
Computer equipment	- 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2. Accounting policies (continued)

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Impairment of non financial assets

The Group assesses at each year end whether an asset may be impaired.

If any evidence exists of impairment, the estimated recoverable amount is compared to the carrying value of the asset and an impairment loss is recognised where appropriate.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. In addition to this, goodwill is tested for impairment at least annually.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably; and
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Financial instruments (continued)

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.16 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.18 Pensions

Defined contribution pension plan
The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.19 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.
The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

2.21 Current and deferred taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Group's activities expose it to a variety of financial risks: currency risk, interest rate risk, liquidity risk and credit risk. The Group's overall risk management strategy is approved by the Board and implemented and reviewed by the Executive Operating Board.

Detailed financial risk management is then delegated to the Group Finance department which has a specific policy to manage financial risk. Regular reports are received to enable prompt identification of financial risks so that appropriate action may be taken.

Currency risk
The Group purchases internationally and has exposure to currency risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Group uses foreign currency bank balances to manage its foreign exchange risk arising from future commercial transactions, recognised assets and liabilities.

For 2017, had the Group's basket of reporting currencies been 10% weaker/ stronger against Sterling than the actual rates experienced, post-tax profit for the year would have been £nil (2016: £nil) lower/higher than reported and equity would have moved by £nil (2016: £nil).

Interest rate risk
The Group has interest bearing assets. Had interest rates moved by 10 basis points, post tax losses would have moved by £nil (2016: £nil).

Liquidity risk
On a regular basis, management monitors forecasts of the Group's cash flows against internal targets to ensure that it has sufficient cash to meet operational needs, while maintaining sufficient headroom at all times.

Surplus cash held by the Group over and above the balance required for working capital management are placed on interest bearing deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the Group's cash flow forecasts.

Credit risk
The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Cash transactions are limited to high-credit quality financial institutions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

4. Segmental analysis

The main business segments of the Group are now Digital Healthcare, Wi-Fi services, Telecom services and other services, and these are the operating segments for which management information is presented to the Groups Executive Operating Board, which is deemed to be the Group's chief operating decision maker.

The Group's Operating Board monitors the operating results of the operating segments separately for the purposes of resource allocation and assessing performance. Segment performance is evaluated based on operating profit or loss which is measured in a manner consistent with that of the consolidated financial statements.

The group trades by way of divisions encompassing its main business segments. The group operates only one trade debtor and creditor accounting ledger and cash account. For this reason, a measure of segment assets and liabilities for operating segments is not provided to the Group's chief operating decision maker and is therefore not disclosed under IFRS 8.

	Digital Healthcare		Wi-Fi Services		Telecom Services		Other Services		Group	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Statement of comprehensive income										
Revenue	5,705	6,194	144	488	2,174	2,032	122	285	8,145	8,999
Expenses	(7,757)	(7,950)	(4,471)	(4,323)	(5,181)	(3,841)	(885)	(1,208)	(18,294)	(17,322)
Operating loss	(2,052)	(1,756)	(4,327)	(3,835)	(3,007)	(1,809)	(763)	(923)	(10,149)	(8,323)
Finance Income	-	-	-	-	-	-	10	-	10	15
Finance costs	-	-	(27)	-	(23)	-	-	-	(50)	(14)
Impairment	-	-	-	-	-	-	-	-	-	(6,577)
Gain on revaluation of equity interest	-	-	-	-	-	-	-	-	-	2,989
Loss before taxation	(2,052)	(1,756)	(4,354)	(3,835)	(3,030)	(1,809)	(753)	(923)	(10,189)	(11,910)
Taxation	395	427	-		220	371	15		630	1,074
Loss for the year	(1,657)	(1,329)	(4,354)	(3,835)	(2,810)	(1,438)	(738)	(923)	(9,559)	(10,836)

5. Turnover

Analysis of turnover by country of destination:

	2017	*2016*
	£000	*£000*
United Kingdom	**6,030**	*7,078*
Rest of Europe	**419**	*451*
Rest of the world	**1,696**	*1,470*
Total credit for the year	**8,145**	*8,999*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

6. Operating loss

The operating loss is stated after charging:

	2017 £000	*2016 £000*
Depreciation of tangible fixed assets - owned	**440**	*456*
Depreciation of tangible fixed assets – held under finance lease	**193**	*8*
Amortisation of intangible assets, including goodwill	**-**	*6,577*
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	**35**	*33*
Exchange differences	**402**	*545*
Other operating lease rentals	**207**	*235*
Defined contribution pension cost	**100**	*139*

7. Auditors' remuneration

	2017 £000	*2016 £000*
Fees payable to the Group's auditors and its associates for the audit of the Group's annual financial statements	**35**	*33*
	35	*33*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group		*Company*	
	2017	2016	**2017**	*2016*
	£000	£000	**£000**	*£000*
Wages and salaries	**3,700**	5,170	**1,060**	*1,097*
Social security costs	**447**	515	**152**	*153*
Other pension costs	**100**	139	**24**	*20*
	4,247	5,824	**1,236**	*1,270*

The average monthly number of employees, including the directors, during the year was as follows:

	Group		*Company*	
	2017	*2016*	**2017**	*2016*
			No.	*No.*
Admin	**28**	*28*	**16**	*16*
Sales and marketing	**15**	*15*	**-**	-
Technical	**55**	*55*	**-**	-
Operations	**13**	*13*	**-**	-
	111	*111*	**16**	*16*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

9. Directors' remuneration

	2017	*2016*
	£000	*£000*
Directors' emoluments	**894**	*965*
Company contributions to defined contribution pension schemes	**14**	*15*
	908	*980*

During the year retirement benefits were accruing to 3 directors *(2016: 3)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £276,000 *(2016: £279,000)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,000 *(2016: £3,000)*.

During the year NIL directors received shares under the long term incentive schemes (*2016* : *1*)

10. Interest receivable and similar income

	2017	*2016*
	£000	*£000*
Other interest receivable	**10**	*15*
	10	*15*

11. Interest payable and similar expenses

	2017	*2016*
	£000	*£000*
Bank interest payable	**23**	*8*
Finance leases and hire purchase contracts	**27**	*5*
Other interest payable	**-**	*1*
	50	*14*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

12. Tax on loss

	2017 £000	2016 £000
Corporation tax		
Current tax on profits for the year	**(630)**	*(769)*
Adjustments in respect of previous periods	**-**	*(305)*
Total current tax	**(630)**	*(1,074)*
Deferred tax	-	-
Total deferred tax	**-**	*-*
Tax on loss	**(630)**	*(1,074)*

12. Tax on loss (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher *(2016: higher than)* the standard rate of corporation tax in the UK of 20% *(2016: 20%)*. The differences are explained below:

	2017 £000	*2016 £000*
Profit on ordinary activities before tax	**(10,189)**	*(11,910)*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	**(2,038)**	*(2,382)*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**-**	*60*
Adjustments to tax charge in respect of prior periods	**-**	*(244)*
Income not taxable	**-**	*(598)*
Fixed asset differences	**-**	*27*
Goodwill impairment	**-**	*1,315*
Adjust closing deferred tax to closing rate of 20%	**-**	*233*
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	**-**	*(557)*
Deferred tax not recognised	**-**	*710*
Double taxation relief	**(35)**	*-*
Unrelieved tax losses carried forward	**1,443**	*362*
Total tax charge for the year	**(630)**	*(1,074)*

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate from 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

13. Intangible assets

Group

	Goodwill £000
Cost	
At 1 April 2016	**13,248**
Additions	**55**
At 31 March 2017	**13,303**
Amortisation	
At 1 April 2016	**6,577**
At 31 March 2017	**6,577**
Net book value	
At 31 March 2017	**6,726**
At 31 March 2016	*6,671*

Impairment tests for goodwill

The directors have considered the value of goodwill by reviewing the forecasts for each company, and, in the view of the directors, no impairment is necessary.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14. Tangible fixed assets

Group

	Short-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation							
At 1 April 2016	**297**	**895**	**387**	**179**	**11**	**397**	**2,166**
Additions	**-**	**1,072**	**13**	**-**	**-**	**-**	**1,085**
Disposals	**-**	**-**	**(17)**	**-**	**-**	**-**	**(17)**
At 31 March 2017	**297**	**1,967**	**383**	**179**	**11**	**397**	**3,234**
Depreciation							
At 1 April 2016	**126**	**215**	**307**	**135**	**10**	**328**	**1,121**
Charge for the year	**66**	**423**	**62**	**33**	**1**	**47**	**632**
Disposals	**-**	**-**	**(6)**	**-**	**-**	**-**	**(6)**
At 31 March 2017	**192**	**638**	**363**	**168**	**11**	**375**	**1,747**
Net book value							
At 31 March 2017	**105**	**1,329**	**20**	**11**	**-**	**22**	**1,487**
At 31 March 2016	*171*	*680*	*80*	*44*	*1*	*69*	*1,045*

The net book value of land and buildings may be further analysed as follows:

	2017 £000	*2016 £000*
Short leasehold improvements	**105**	*171*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14. Tangible fixed assets (continued)

Company

	Short-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation							
At 1 April 2016	**297**	**8**	**387**	**179**	**11**	**397**	**1,279**
Disposals	**-**	**-**	**(17)**	**-**	**-**	**-**	**(17)**
At 31 March 2017	**297**	**8**	**370**	**179**	**11**	**397**	**1,262**
Depreciation							
At 1 April 2016	**126**	**2**	**307**	**135**	**10**	**328**	**908**
Charge for the year	**66**	**-**	**58**	**33**	**1**	**47**	**205**
Disposals	**-**	**-**	**(6)**	**-**	**-**	**-**	**(6)**
At 31 March 2017	**192**	**2**	**359**	**168**	**11**	**375**	**1,107**
Net book value							
At 31 March 2017	**105**	**6**	**11**	**11**	**-**	**22**	**155**
At 31 March 2016	*171*	*6*	*80*	*44*	*1*	*69*	*371*

The net book value of land and buildings may be further analysed as follows:

	2017 £000	*2016 £000*
Short term leasehold improvements	**105**	*171*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

15. Investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2016	**16,675**
Impairment in the year	**(755)**
At 31 March 2017	**15,920**
Net book value	
At 31 March 2017	**15,920**
At 31 March 2016	*16,675*

Investments in Group undertakings are stated at cost. As permitted by section 615 of the Companies Act 2006, where the relief afforded under sections 612 and 613 of the Companies Act 2006 applies, cost is the aggregate of the nominal value of the relevant number of the company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings.

The directors have carried out an impairment review of the company's investments and feel it prudent to impair the investment in Live P-A Limited. A list of all subsidiary undertakings is given below.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

15. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
InTechnology Wi-Fi Limited	Ordinary	95.05 %	Wi-Fi Systems
Inhealthcare Limited	Ordinary	94.16 %	Digital health services
Mobile Tornado Group plc	Ordinary	51.2 %	Telecoms
Live - PA Limited	Ordinary	76 %	Dormant
EEscape Holdings Limited	Ordinary	100 %	Dormant
Evoxus Limited	Ordinary	100 %	Dormant
Call-Link Communications Limited	Ordinary	100 %	Dormant
Allasso Limited	Ordinary	100 %	Dormant
Holf Technologies Limited	Ordinary	100 %	Dormant
VData Limited	Ordinary	100 %	Dormant
Integrated Technology (Europe) Limited	Ordinary	100 %	Dormant
Smart Wi-Fi Limited	Ordinary	100 %	Dormant
Smart Stadiums Limited	Ordinary	100 %	Dormant
Smart W-Fi Limited	Ordinary	100 %	Dormant

The registered office for all subsidiaries is Cardale House, Cardale Park, Beckwith Head Road, Harrogate. HG3 1RY

16. Stocks

	Group 2017 £000	*Group 2016 £000*	**Company 2017 £000**	*Company 2016 £000*
Finished goods and goods for resale	**-**	*431*	**-**	*404*
	-	*431*	**-**	*404*

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The cost on inventories recognised as an expense and included in cost of sales amounted to £431,000 (2016: £nil)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

17. Debtors

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Amounts falling due after more than one year				
Amounts owed by group undertakings	-	104	19,429	17,979
Deferred tax asset	521	521	555	555
Amounts falling due within one year				
Trade debtors	1,483	1,618	738	783
Other debtors	1,323	545	553	299
Tax recoverable	793	398	-	-
Prepayments and accrued income	900	960	2,607	2,564
	5,020	4,146	23,882	22,180

Trade debtors are stated after provisions for impairment of £259,000 (2016: £nil).

Amounts owed by group undertakings are unsecured, bear in interest and have no fixed repayment date.

18. Cash at bank and in hand

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Cash at bank and in hand	803	5,034	561	4,822
	731	5,034	561	4,822

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

19. Creditors: Amounts falling due within one year

	Group 2017 £000	*Group 2016 £000*	**Company 2017 £000**	*Company 2016 £000*
Trade creditors	**5,109**	*3,335*	**4,030**	*1,446*
Obligations under finance lease and hire purchase contracts	**187**	*24*	**-**	*-*
Other creditors	**454**	*321*	**260**	*256*
Taxation and social security	**162**	*132*	**105**	*132*
Accruals and deferred income	**871**	*1,137*	**500**	*1,138*
	6,783	4,949	**4,895**	2,972

20. Creditors: Amounts falling due after more than one year

	Group 2017 £000	*Group 2016 £000*	**Company 2017 £000**	*Company 2016 £000*
Net obligations under finance leases and hire purchase contracts	**234**	*73*	**-**	*-*
Amounts owed to group undertakings	**-**	*-*	**8,827**	*9,419*
Other creditors	**7,789**	*3,514*	**2,941**	*-*
	8,021	*3,587*	**11,768**	*9,419*

Amounts owed to group undertakings are unsecured, bear in interest and have no fixed repayment date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

21. Hire purchase and finance leases

	Group 2017 £000	*Group 2016 £000*
Within one year	**187**	*24*
Between 1-2 years	**108**	*26*
Between 2-5 years	**125**	*47*
	420	*97*

22. Financial instruments

	Group 2017 £000	*Group 2016 £000*	**Company 2017 £000**	*Company 2016 £000*
Financial assets				
Financial assets measured at fair value through profit or loss	**803**	*5,034*	**561**	*4,822*
Financial assets that are debt instruments measured at amortised cost	**3,240**	*3,003*	**25,723**	*19,577*
	4,043	*8,037*	**26,284**	*24,399*
Financial liabilities				
Financial liabilities measured at amortised cost	**(14,152)**	*(7,344)*	**(14,705)**	*(12,259)*
	(14,152	*(7,344)*	**(14,705)**	*(12,259)*

23. Deferred taxation

Group

	2017 £000
At 1 April 2016	521
At 31 March 2017	**521**

Company

	2017 £000
At 1 April 2016	555
At 31 March 2017	**555**

The deferred tax asset is made up as follows:

	Group 2017 £000	Company 2017 £000
Excess of depreciation over capital	47	47
Provisions	18	18
Losses and other deductions	456	490
	521	555

24. Called up share capital

	2017 £000	*2016 £000*
Shares classified as equity		
Authorised		
252,000,000 *(2016 : 252,000,000)* Ordinary shares of £0.01 each	**2,520**	*2,520*
Allotted, called up and fully paid		
194,282,600 *(2016 : 194,282,600)* Ordinary shares of £0.01 each	**1,943**	*1,943*

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £100,000 (2016: £139,000). Contributions totalling £12,000 (2016: £12,000) were payable to the fund at the reporting date

26. Commitments under operating leases

At 31 March 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £000	*Group 2016 £000*	**Company 2017 £000**	*Company 2016 £000*
Not later than 1 year	**215**	*222*	**185**	*185*
Later than 1 year and not later than 5 years	**699**	*726*	**692**	*726*
	914	*948*	**877**	*911*

27. Finance lease commitments

There were no commitments existing at the reporting date in respect of finance leases entered into but whose inception occurs after the reporting date.

28. Directors' personal guarantees

Peter Wilkinson has given a written undertaking to provide the company with working capital as required for at least 12 months from the date of signing the financial statements.

29. Related party transactions

Peter Wilkinson, Richard James and Andrew Kaberry are shareholders in Mobile Tornado Group plc, an AIM listed company in which InTechnology plc owns 51.2% of the issued ordinary share capital and all the issued cumulative redeemable non- voting preference shares. Peter Wilkinson is non-executive Chairman and Richard James is a Director and Company Secretary of Mobile Tornado Group plc. InTechnology plc sold services totalling nil (2016: £nil) to Mobile Tornado Group plc in the year. As at 31 March 2017 InTechnology plc was owed £1,704,000nil (2016: £nil) by Mobile Tornado Group plc.

As at 31 March 2017, InTechnology plc owned 76.0% of the issued ordinary share capital of Live - PA Limited which is incorporated in the United Kingdom. InTechnology plc sold services totalling £nil (2016: £nil) to Live - PA Limited in the year. As at 31 March 2017, InTechnology plc was owed £593,000 (2016: £593,000) by Live - PA Limited.

Peter Wilkinson is a shareholder of Holf Investments Limited which is incorporated in the United Kingdom. InTechnology Wi-Fi Limited purchased fixed assets totalling £336,000 (2016: £96,000) under separate finance leases.

29. Related party transactions (continued)

Joanne Wilkinson, wife of Peter Wilkinson, owns the entire share capital of My Possible Self Limited. InTechnology plc purchased services totalling £nil (2016: £16,000) in the year. No amounts were owing to My Possible Self Limited in the year (2016: £nil).

All transactions with related parties were carried out on an arm’s length basis.

30. Controlling party

The Directors consider Peter Wilkinson to be the ultimate controlling party by virtue of his personal shareholdings in the company and via Holf Investments Limited.

InTechnology plc
Cardale House
Cardale Court
Beckwith Head Road
Harrogate
HG3 1RY

Telephone: +44 (0)1423 877400
Email: info@intechnologyplc.com

www.intechnologyplc.com

00 Certificate

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